



February 21, 2006

FVAC RECOMMENDED VALUES — FY2007

To Boards of Assessors:

The Farmland Valuation Advisory Commission (FVAC) met on January 24, 2006 and adopted the range of recommended agricultural or horticultural land use values for the various categories of land classified under *Chapter 61A* for fiscal year 2007.

In order to prevent negative farmland values due to the decline in the Massachusetts's net farm income in recent years, the FVAC adopted a circuit breaker provision for Chapter 61A recommended land values in fiscal year 2004. This provision freezes values until positive numbers are generated by the farmland valuation income method. The Commission voted to once again use that last positive values produced by the farmland valuation income method.

In valuing land classified as agricultural or horticultural land under Chapter 61A, the Board of Assessors must consider only those indicia of value that such land has for agricultural or horticultural uses. The ranges of value are to be used in conjunction with the Assessors' appraisal knowledge, judgment and experience as to agricultural or horticultural land values. The FVAC's adopted methodology should be considered in all local analyses. All values adopted outside the range recommended by the FVAC must be supported by a comprehensive study of local factors influencing value, together with a detailed description of the selected valuation models and resulting use value estimates.

Additionally, in this notification is the value of farm animals for the purpose of Farm Animal Excise (Chapter 59, § 8A) as determined by the Department of Revenue.

Sincerely yours,

A handwritten signature in cursive script that reads "Marilyn H. Browne".

Marilyn H. Browne, Chairman
Farmland Valuation Advisory Commission

MHB/mhb